

CRAWFORD COUNTY, IOWA

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2014

Crawford County
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Crawford County

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Randall Kuhlmann	Board of Supervisors	January, 2017
Steve Ulmer	Board of Supervisors	January, 2015
Eric Skoog	Board of Supervisors	January, 2015
Jerry Buller	Board of Supervisors	January, 2015
Cecil Blum	Board of Supervisors	January, 2017
Terri Martens	County Auditor	January, 2017
Jeri Vogt	County Treasurer	January, 2015
Denise Meeves	County Recorder	January, 2015
Jim Steinkuehler	County Sheriff	January, 2017
Michael R. Mundt	County Attorney	January, 2015
Duane Zenk	County Assessor	January, 2016

Gronewold, Bell, Kyhnn & Co. P.C.

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INDEPENDENT AUDITOR'S REPORT

To the Officials of Crawford County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crawford County, Iowa as of and for the year ended June 30, 2014, and related notes to the financial statements, which collectively comprise the County's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Officials of Crawford County

Basis for Qualified Opinions

The financial statements do not include an estimate of an Other Post Employment Benefits (OPEB) liability for an implicit health insurance premium rate subsidy resulting from the legal requirement to allow employees retiring after age 55 to remain on the County's healthcare plan until age 65. Accounting principles generally accepted in the United States of America require that any material liability resulting from this OPEB requirement be included in the financial statements (Note 11).

Qualified Opinions

In our opinion, except for the effect of not including an estimated OPEB liability for the implicit health insurance premium rate subsidy, as discussed in the previous section, the financial statements referred to above present fairly in all material respects, the financial position of the governmental activities, each major fund and the aggregate remaining fund information of Crawford County as of June 30, 2014 and the respective changes in financial position, and cash flows where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the Budgetary Comparison Information on pages 3 through 3g and on pages 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crawford County, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2013 (which are not presented herein) and expressed unmodified and qualified opinions on those financial statements. The supplementary information included in Schedules 1 through 6 including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

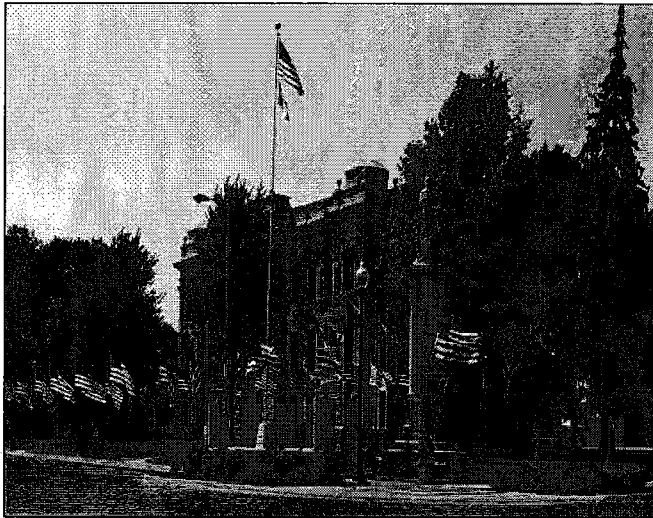
To the Officials of Crawford County

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 10, 2015 on our consideration of Crawford County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Crawford County's internal control over financial reporting and compliance.

Gmewold, Ben, Kuhn + W. P. C.

Atlantic, Iowa
February 10, 2015



Board of Supervisors

Crawford County Courthouse
1202 Broadway
Denison, Iowa 51442

(712)263-5356 Fax: (712)263-8382

MEMBERS :

*Cecil Blum, Jerry Buller, Randall Kuhlmann
Eric Skoog and Steve P. Ulmer*

MANAGEMENT'S DISCUSSION & ANALYSIS

The Crawford County Board of Supervisors provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2014. It is the intent that this statement be reviewed and considered in conjunction with reading the County's financial statements.

2014 FINANCIAL HIGHLIGHTS

- Crawford County's revenue for the 2014 governmental activities was \$17,021,713 compared to \$16,186,251 in 2013, for an increase of \$835,462. Property and other county taxes increased \$44,909 from the previous fiscal year.
- Crawford County's expenditures increased to \$17,571,283 in fiscal year 2014 from \$16,216,436 in fiscal year 2013 - an increase of 1,354,847.
- Crawford County's capital assets (net of accumulated depreciation) decreased approximately \$551,029 from the previous year.
- Crawford County self-funds their health insurance, using a stop loss of \$35,000. So far the plan has worked to maintain relatively level premiums and the County has been able to grow a reserve in the fund. The ending assets as of June 30, 2014 were \$634,804 and the claims incurred but not yet paid were \$282,922 leaving a net of \$351,882.

UTILIZATION OF THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.
- The Government-Wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Crawford County as a whole and present an overall view of the County's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Crawford County's operations in more detail than government-wide statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Crawford County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.
- Other Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

Reporting the County's Financial Activities

Government-Wide Financial Statements

One of the most important questions asked about the County's finances is *Is the County as a whole better off or worse off as a result of the year's activities?* The statement of net position and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents all of the County's assets, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Position and the Statement of Activities. Governmental activities include:

1. Public Safety and Legal Services
2. Physical Health & Social Services
3. Mental Health
4. County Environment and Education
5. Roads and Transportation
6. Government Services to Residents
7. Administration
8. Interest on Long-Term Debt

Property tax, local option tax, road use tax, and state and federal grants finance most of these activities.

Fund Financial Statements

Crawford County has three kinds of funds: governmental funds, proprietary funds, & fiduciary funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These governmental funds may include: (1) the General Fund (General Basic & General Supplemental), (2) The Special Revenue Funds such as Mental Health, Rural Services (Rural Basic and Rural Supplemental), Secondary Roads and others, (3) the Debt Service Fund, and (4) the Capital Projects Funds. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) A proprietary fund accounts for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

3) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the County's own programs. These fiduciary funds include agency funds that account for emergency management services and the county assessor to name a couple.

The fiduciary funds required financial statements include a Statement of Fiduciary Assets and Liabilities.

Summary reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Crawford County's net position for FY14 total \$42,063,857 compared to FY13 at \$42,613,427. The County is recording capital assets, which decreased to \$33,739,608 in FY14. The analysis that follows focuses on the changes of the net position for our governmental activities.

Net Position of Governmental Activities

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Current and other assets	\$ 19,612,219	\$ 19,079,621
Capital Assets	<u>33,739,608</u>	<u>34,290,637</u>
Total Assets	<u>\$ 53,351,827</u>	<u>\$ 53,370,258</u>
Long Term Debt Outstanding	\$ 1,560,000	\$ 1,730,000
Other Liabilities	<u>2,042,970</u>	<u>1,521,831</u>
Total Liabilities	<u>\$ 3,602,970</u>	<u>\$ 3,251,831</u>
Deferred Inflows of Resources	<u>\$ 7,685,000</u>	<u>\$ 7,505,000</u>
Net Position:		
Net investment in capital assets	\$ 32,179,608	\$ 32,560,637
Restricted	4,855,932	5,432,567
Unrestricted	<u>5,028,317</u>	<u>4,620,223</u>
Total Net Position	<u>\$ 42,063,857</u>	<u>\$ 42,613,427</u>

The largest portion of the County's net position is the Net Investment in Capital Assets (e.g. land, infrastructure, buildings, and equipment). The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets, since they are unavailable for future spending. Restricted net position represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net position are the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements.

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES			
REVENUES	6/30/14	6/30/13	Difference
Program Revenues			
Charges for services	3,589,226	3,217,172	372,054
Operating Grants & Contributions	4,708,527	4,328,370	380,157
Capital Grants & Contributions	7,963	27,346	(19,383)
General Revenues			
Property Taxes	7,573,573	7,528,664	44,909
Penalty & Interest on Property	46,479	54,575	(8,096)
State tax credits	346,850	312,871	33,979
Local option sales & service tax	631,568	602,507	29,061
Unrestricted investment earnings	116,422	112,769	3,653
Other general revenues	1,105	1,977	(872)
Total Revenues	17,021,713	16,186,251	835,462
PROGRAM EXPENSES			
Public Safety & Legal Services	1,926,600	1,912,527	14,073
Physical Health & Social Services	2,485,513	2,422,423	63,090
Mental Health	619,461	607,848	11,613
County Environment & Education	960,101	808,387	151,714
Roads & Transportation	7,747,395	6,983,541	763,854
Government Services to Residents	531,955	516,132	15,823
Administration	3,227,643	2,862,310	365,333
Interest on long-term debt	72,615	103,268	(30,653)
Total Expenses	17,571,283	16,216,436	1,354,847
Change in Net Position	(549,570)	(30,185)	(519,385)
Net position beginning of year	42,613,427	42,643,612	(30,185)
Net position at end of year	42,063,857	42,613,427	(549,570)

The total TIF asking from the cities was as follows:

Increase in TIF requests	\$235,000
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The county's tax levies are compared as set forth below:

Local option sales tax revenue increased with the County receiving a total of \$631,568 in total for the year.

Crawford County completed the year with its governmental funds reported combined cash balance of \$8,400,544 an increase of \$556,009 from the previous year. The county ended the year with a combined fund balance of \$9,632,327, a decrease of \$65,491 over the previous year.

The General Fund, as the operating fund for Crawford County, ended FY14 with a cash balance of \$4,748,444, and a fund balance of \$4,953,402.

The Mental Health Fund of the County had an ending fund balance of \$1,198,478 as of 6-30-14. Future funding for Mental Health will be dependent on actions taken by the State Legislature.

The Rural Services Fund ended FY14 with a fund balance of \$576,324.

Secondary Roads ended FY14 with a fund balance of \$2,573,086. This fund changes due to timing of construction projects. Crawford County maintains 878 miles of gravel roads, has 209 miles of dirt roads and 135 miles of paved roads. Unlike a large number of Iowa counties, Crawford County also has 265 bridges which they maintain. During FY14 Crawford County received Federal and State Funds for flood disaster. Federal and State Funds were received during FYE14 to fund repairs to eligible disaster sites. The county has an entitlement to farm to market funds for secondary road purposes which are administered by the Iowa Department of Transportation. These funds are not included in the County's financial report.

GENERAL BUDGETARY HIGHLIGHTS

The Crawford County budget was amended during fiscal year 2014. The County's disbursements were less than budgeted in all functions, and less than budgeted in total by \$1,161,378.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Crawford County ended FY14 with approximately \$61,703,552 invested in a broad range of capital assets. Crawford County excludes any assets under \$5,000. After consideration of accumulated depreciation of \$27,963,944, the government activities capital assets net are \$33,739,608.

Debt

Crawford County has general obligation bonds outstanding as of the end of FY14 totaling \$1,560,000 compared to \$1,730,000 at the end of FY13. Principal payments due during FY15 total \$180,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Crawford County's 2010 population increased .9% to 17,096 from the 2000 census. Crawford County's estimated 2013 population increased 2% to 17,434 from 2010. 26.1% of our population is 18 or under and 16.6% is 65 or older. Our population is 68.7% White and 27.5% Hispanic or Latino origin. There are 6,300 households with a median household income of \$46,548, with 2.65 people per household. Per capita income for the last 12 months was \$22,748 as compared to a state per capita income of \$27,027. Persons below the poverty level in Crawford County was 15.8% of our population compared to a state average of 12.4%. These numbers come from the Crawford County Quick Facts from the US Census Bureau.

Crawford County workers rely heavily on our food service industries to provide employment for their households. Farmland Foods, Tyson Foods and Quality Food Processors are large employers of our local workforce and their financial wellbeing is vital to our local economy both individually and agriculturally. The closing of any of these plants would seriously affect our unemployment rate in the county, which has been much lower than the state and national average for the past several years.

Wind tower energy production in Crawford County has increased with the addition of 50 new wind tower generators near Schleswig. This is in addition to the 43 towers already generating in the Vail and Westside area. Anderson's Ethanol plant continues to produce over 60 million gallons of ethanol per year for America's transportation needs.

Crawford County expenditures for all departments for fiscal year ending 2015 are estimated to be \$6,660,481. Expenditures for all departments are estimated to increase \$886,366 for fiscal year 2016 to \$17,546,847. Increases are mostly occurring in the General Basic Fund; and Secondary Road Fund where reimbursable bridge replacement projects are budgeted.

Ending fund balances for fiscal year ending 2015 are re-estimated to be \$1,050,783 lower than actual fiscal year ending 2014. Another \$463,159 is estimated to be taken from ending fund balance for fiscal year ending 2016. The Board will continue to monitor fund balances.

For the past several years Crawford County has seen growth in valuations, allowing levy rates to be reduced.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Crawford County's finances and show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Crawford County Auditor's office, 1202 Broadway, Denison, IA 51442, telephone (712)263-3045.

Crawford County
Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 8,928,906
Receivables:	
Property tax:	
Delinquent	31,700
Succeeding year	7,685,000
Interest and penalty on property tax	261,451
Accounts	148,855
Accrued interest	12,243
Due from other funds	40,898
Due from other governments	616,275
Inventories	1,651,866
Prepaid insurance	235,025
Capital assets (net of accumulated depreciation)	<u>33,739,608</u>
Total assets	<u>53,351,827</u>
Liabilities	
Accounts payable	1,161,258
Accrued interest payable	5,473
Salaries and benefits payable	304,223
Due to other governments	80,673
Long-term liabilities:	
Portion due or payable within one year:	
General obligation bonds	180,000
Compensated absences	491,343
Portion due or payable after one year:	
General obligation bonds	<u>1,380,000</u>
Total liabilities	<u>3,602,970</u>
Deferred Inflows of Resources	
Unavailable property tax revenue	7,685,000

(continued next page)

Crawford County
Statement of Net Position - continued
June 30, 2014

	<u>Governmental Activities</u>
Net Position	
Net investment in capital assets	\$ 32,179,608
Restricted for:	
Mental health purposes	1,190,305
Rural services purposes	542,287
Secondary roads purposes	2,444,474
Other purposes	678,866
Unrestricted	<u>5,028,317</u>
Total net position	<u>\$ 42,063,857</u>

See notes to financial statements.

Crawford County
Statement of Activities
Year ended June 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>
Functions/Programs:		
Governmental activities:		
Public safety and legal services	\$ 1,926,600	\$ 145,054
Physical health and social services	2,485,513	2,892,309
Mental health	619,461	92
County environment and education	960,101	159,096
Roads and transportation	7,747,395	47,311
Governmental services to residents	531,955	321,319
Administration	3,227,643	24,045
Interest on long-term debt	<u>72,615</u>	<u>--</u>
Total	<u>\$ 17,571,283</u>	<u>\$ 3,589,226</u>
General Revenues:		
Property and other county tax levied for:		
General purposes		
Penalty and interest on property tax		
State tax credits		
Local option sales tax		
Unrestricted investment earnings		
Miscellaneous		
Total general revenues		
Change in net position		
Net position beginning of year		
Net position end of year		

See notes to financial statements.

<u>Program Revenues</u>		
<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
\$ 73,054	\$ --	\$(1,708,492)
658,129	--	1,064,925
12,011	--	(607,358)
19,969	--	(781,036)
3,880,889	7,963	(3,811,232)
--	--	(210,636)
64,475	--	(3,139,123)
--	--	(72,615)
<u>\$ 4,708,527</u>	<u>\$ 7,963</u>	(9,265,567)

7,573,573
 46,479
 346,850
 631,568
 116,422
1,105
8,715,997
 (549,570)
42,613,427
\$ 42,063,857

Crawford County
Balance Sheet
Governmental Funds

June 30, 2014

		Special Revenue	
	General	Mental Health	Rural Services
Assets			
Cash and pooled investments	\$ 4,748,444	\$ 1,222,170	\$ 585,624
Receivables:			
Property tax:			
Delinquent	25,576	3,040	1,664
Succeeding year	4,319,000	433,000	2,702,000
Interest and penalty on property tax	261,451	--	--
Accounts	28,809	169	--
Accrued interest	12,243	--	--
Due from other funds	40,183	--	--
Due from other governments	318,593	--	--
Inventories	--	--	--
Prepaid insurance	190,275	--	1,411
Total assets	<u>\$ 9,944,574</u>	<u>\$ 1,658,379</u>	<u>\$ 3,290,699</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 92,766	\$ 21,052	\$ 1,101
Salaries and benefits payable	156,743	2,464	9,128
Due to other governments	76,883	--	--
Compensated absences	58,753	345	482
Total liabilities	<u>385,145</u>	<u>23,861</u>	<u>10,711</u>
Deferred Inflows of Resources:			
Unavailable revenues:			
Succeeding year property tax	4,319,000	433,000	2,702,000
Other	287,027	3,040	1,664
Total deferred inflows of resources	<u>4,606,027</u>	<u>436,040</u>	<u>2,703,664</u>

(continued next page)

Exhibit C

<u>Special Revenue Secondary Roads</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 1,511,714	\$ 332,592	\$ 8,400,544
--	1,420	31,700
--	231,000	7,685,000
--	--	261,451
13,435	--	42,413
--	--	12,243
--	715	40,898
293,717	3,965	616,275
1,651,866	--	1,651,866
43,339	--	235,025
<u>\$ 3,514,071</u>	<u>\$ 569,692</u>	<u>\$ 18,977,415</u>

\$ 757,182	\$ 6,235	\$ 878,336
135,888	--	304,223
3,790	--	80,673
44,125	--	103,705
<u>940,985</u>	<u>6,235</u>	<u>1,366,937</u>

--	231,000	7,685,000
<u>--</u>	<u>1,420</u>	<u>293,151</u>
<u>--</u>	<u>232,420</u>	<u>7,978,151</u>

Crawford County
Balance Sheet
Governmental Funds - continued

June 30, 2014

	<u>General</u>	<u>Special Revenue</u> <u>Mental Health</u>	<u>Rural Services</u>
Fund balances:			
Nonspendable:			
Inventories	\$ --	\$ --	\$ --
Prepaid insurance	190,275	--	1,411
Restricted for:			
Mental health purposes	--	1,198,478	--
Rural services purposes	--	--	574,913
Secondary roads purposes	--	--	--
Capital projects	--	--	--
Debt service	--	--	--
Other purposes	--	--	--
Unassigned	<u>4,763,127</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>4,953,402</u>	<u>1,198,478</u>	<u>576,324</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,944,574</u>	<u>\$ 1,658,379</u>	<u>\$ 3,290,699</u>

See notes to financial statements.

<u>Special Revenue Secondary Roads</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 1,651,866	\$ --	\$ 1,651,866
43,339	--	235,025
--	--	1,198,478
--	--	574,913
877,881	--	877,881
--	160,258	160,258
--	26,180	26,180
--	144,599	144,599
--	--	4,763,127
<u>2,573,086</u>	<u>331,037</u>	<u>9,632,327</u>
 <u>\$ 3,514,071</u>	 <u>\$ 569,692</u>	 <u>\$ 18,977,415</u>

Crawford County

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2014

Total governmental fund balances (page 8)	\$ 9,632,327
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$61,703,552 and the accumulated depreciation is \$27,963,944.	33,739,608
Certain assets are not available to pay for current period expenditures and, therefore, are recognized as deferred inflows in the governmental funds.	293,151
The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included with governmental activities in the statement of net position.	351,882
Accrued interest payable and long-term liabilities, including general obligation bonds and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(1,953,111)</u>
Net position of governmental activities (page 5)	<u>\$ 42,063,857</u>

See notes to financial statements.

Crawford County

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds

Year ended June 30, 2014

	General	Special Revenue	
		Mental Health	Rural Services
Revenues:			
Property and other County tax	\$ 4,157,567	\$ 494,069	\$ 2,517,798
Local option sales tax	63,157	--	--
Interest and penalty on property tax	46,479	--	--
Intergovernmental	1,818,548	34,057	117,048
Licenses and permits	2,666	--	--
Charges for service	819,908	--	--
Use of money and property	113,102	--	--
Miscellaneous	67,058	1,501	468
Total revenues	<u>7,088,485</u>	<u>529,627</u>	<u>2,635,314</u>
Expenditures:			
Operating:			
Public safety and legal services	1,813,367	--	31,500
Physical health and social services	2,439,909	--	--
Mental health	--	612,980	--
County environment and education	667,836	--	254,625
Roads and transportation	--	--	428,844
Governmental services to residents	540,723	--	--
Administration	1,161,701	--	--
Debt service	--	--	--
Capital projects	12,886	--	--
Total expenditures	<u>6,636,422</u>	<u>612,980</u>	<u>714,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>452,063</u>	<u>(83,353)</u>	<u>1,920,345</u>

(continued next page)

<u>Special Revenue Secondary Roads</u>	<u>Nonmajor</u>	<u>Total</u>
\$ --	\$ 234,023	\$ 7,403,457
568,411	--	631,568
--	--	46,479
3,764,356	26,190	5,760,199
2,358	--	5,024
16	15,215	835,139
--	1,038	114,140
161,018	32,737	262,782
<u>4,496,159</u>	<u>309,203</u>	<u>15,058,788</u>
--	2,000	1,846,867
--	8,496	2,448,405
--	--	612,980
--	16,535	938,996
6,695,088	--	7,123,932
--	--	540,723
--	--	1,161,701
--	243,155	243,155
150,174	81,791	244,851
<u>6,845,262</u>	<u>351,977</u>	<u>15,161,610</u>
<u>(2,349,103)</u>	<u>(42,774)</u>	<u>(102,822)</u>

Crawford County

Statement of Revenues, Expenditures and
Changes in Fund Balances - continued
Governmental Funds

Year ended June 30, 2014

		Special Revenue	
	General	Mental Health	Rural Services
Other financing sources (uses):			
Sale of capital assets	\$ 1,575	\$ --	\$ --
Operating transfers in	--	--	--
Operating transfers out	(157,142)	--	(1,810,000)
Total other financing sources (uses)	(155,567)	--	(1,810,000)
Change in fund balances	296,496	(83,353)	110,345
Fund balances beginning of year	4,656,906	1,281,831	465,979
Fund balances end of year	<u>\$ 4,953,402</u>	<u>\$ 1,198,478</u>	<u>\$ 576,324</u>

See notes to financial statements.

<u>Special Revenue Secondary Roads</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 35,756	\$ --	\$ 37,331
1,954,000	71,002	2,025,002
<u>--</u>	<u>(57,860)</u>	<u>(2,025,002)</u>
<u>1,989,756</u>	<u>13,142</u>	<u>37,331</u>
(359,347)	(29,632)	(65,491)
<u>2,932,433</u>	<u>360,669</u>	<u>9,697,818</u>
<u>\$ 2,573,086</u>	<u>\$ 331,037</u>	<u>\$ 9,632,327</u>

Crawford County

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds to the Statement of Activities

Year ended June 30, 2014

Change in fund balances - Total governmental funds (page 11) \$(65,491)

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate
those expenditures over the life of the assets.

Depreciation expense exceeded capital outlays in the current
year as follows:

Expenditures for capital assets	\$ 1,607,739	
Capital assets contributed by the Iowa Department of Transportation	7,963	
Depreciation expense	<u>(2,166,731)</u>	(551,029)

Proceeds from issuing long-term liabilities provide current
financial resources to governmental funds, but issuing debt
increases long-term liabilities in the Statement of Net Position.
Repayment of long-term liabilities is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the Statement of Net Position. Current year
repayments exceeded issues, as follows:

Principal paid	170,000
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Because some revenues will not be collected for several months
after the County's year end, they are not considered available
revenues and are recognized as deferred inflows in the governmental
funds, as follows:

Change in deferred inflows of property tax revenues	170,116
---	---------

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds, as follows:

Compensated absences	(7,499)	
Accrued interest on long-term debt	<u>540</u>	(6,959)

The Internal Service Fund is used by management to charge the costs
of employee health benefits to individual funds. The net loss of
the Internal Service Fund is reported with governmental activities.

(266,207)

Change in net position of governmental activities (page 6) \$(549,570)

See notes to financial statements.

Crawford County
Statement of Net Position
Proprietary Fund

June 30, 2014

	Internal Service - Employee Group Health
Assets	
Cash and cash equivalents	\$ 528,362
Accounts receivable	<u>106,442</u>
Total assets	634,804
Liabilities	
Accounts payable	<u>282,922</u>
Net Position	
Unrestricted	<u>\$ 351,882</u>

See notes to financial statements.

Crawford County
Statement of Revenues, Expenses, and Changes
in Fund Net Position
Proprietary Fund

Year ended June 30, 2014

		Internal Service - Employee Group Health
Operating revenues:		
Reimbursements from operating funds		\$ 1,636,246
Reimbursements from employees and others		<u>108,987</u>
Total operating revenues		1,745,233
Operating expenses:		
Medical claims	\$ 1,614,885	
Administrative fees and insurance premiums	<u>398,837</u>	<u>2,013,722</u>
Operating loss		(268,489)
Non-operating revenues:		
Interest on investments		<u>2,282</u>
Net loss		(266,207)
Net position beginning of year		<u>618,089</u>
Net position end of year		<u><u>\$ 351,882</u></u>

See notes to financial statements.

Crawford County
Statement of Cash Flows
Proprietary Fund
Year ended June 30, 2014

	Internal Service - Employee Group Health
Cash flows from operating activities:	
Cash received from operating fund reimbursements	\$ 1,529,804
Cash received from employees and others	108,987
Cash payments to suppliers for services	<u>(1,835,184)</u>
Net cash used in operating activities	(196,393)
Cash flows from investing activities:	
Interest on investments	<u>2,282</u>
Net decrease in cash and cash equivalents	(194,111)
Cash and cash equivalents at beginning of year	<u>722,473</u>
Cash and cash equivalents at end of year	<u><u>\$ 528,362</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$(268,489)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts receivable	(106,442)
Increase in accounts payable	<u>178,538</u>
Net cash used in operating activities	<u><u>\$(196,393)</u></u>

See notes to financial statements.

Crawford County
Statement of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2014

Assets

Cash and pooled investments:

County Treasurer	\$ 1,389,342
Other County officials	55,213

Receivables:

Property tax:

Delinquent	265,133
Succeeding year	18,283,000

Accounts	9,796
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Special assessments	116,800
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Due from other funds	227
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Due from other governments	66,769
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Total assets	<u>20,186,280</u>
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Liabilities

Accounts payable	39,338
------------------	--------

Salaries and benefits payable	23,813
-------------------------------	--------

Due to other funds	41,125
--------------------	--------

Due to other governments	20,063,241
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Trusts payable	15,269
----------------	--------

Compensated absences	3,494
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Total liabilities	<u>20,186,280</u>
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Net position	<u>\$ --</u>
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See notes to financial statements.

Crawford County

Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crawford County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Crawford County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Crawford County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units - The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Nine drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Crawford County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information for the individual drainage districts can be obtained from the Crawford County Auditor's office.

Crawford County

Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Related Organizations - The County Board of Supervisors are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The Board of Supervisors appoint three of the five members to the board of the Crawford County Area Solid Waste Agency Commission. An audit of this Commission is performed and filed under separate cover. Financial transactions of this organization are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported in an Agency Fund of the County.

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Crawford County Assessor's Conference Board, Crawford County Joint E911 Service Board and Crawford County Emergency Management Services Commission. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in Agency Funds of the County.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Position presents the County's nonfiduciary assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets, consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position is often subject to constraints imposed by management, which can be removed or modified.

Crawford County

Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, intellectual disabilities, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

Additionally, the County reports the following funds:

Proprietary Fund - An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Crawford County

Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned and then unassigned fund balances.

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund are charges to customers for sales and services. Operating expenses for the Internal Service Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities, and Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2013.

Interest and Penalty on Property Tax Receivable - Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets - Capital assets, which include property, equipment and vehicles, and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Infrastructure	\$ 50,000
Land, buildings, and improvements	25,000
Intangibles	25,000
Equipment and vehicles	5,000

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital assets of the County are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	40 - 50
Building improvements	20 - 50
Infrastructure	30 - 50
Intangibles	5 - 20
Equipment	2 - 20
Vehicles	3 - 10

Due to Other Governments - Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable - Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for amounts paid to employees within sixty days after year end. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, and the Special Revenues, Mental Health, Rural Services and Secondary Roads Funds.

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Inflows of Resources - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivables and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied.

Fund Equity - In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned - Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned - All amounts not included in the preceding classifications.

Net Position - The net position of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, disbursements did not exceed the amount budgeted in any function.

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68 "*Accounting and Financial Reporting for Pensions - an Amendment of GASB No. 27.*" This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the County's proportionate share of the Iowa Public Employees Retirement System pension plan.

NOTE 2 - CASH AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2014 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$64,447 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County.

Credit risk. The investment in Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk. The County places no limit on the amount that may be invested in any one issuer.

Crawford County
Notes to Financial Statements
June 30, 2014

NOTE 3 - DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2014 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Agency:	
	County Sheriff	\$ 1,218
	County Recorder	24,426
	Auto License and Use Tax	<u>14,539</u>
		40,183
Special Revenue:	Agency:	
County Recorder's Records Management	County Recorder	715
Agency:	Agency:	
County Recorder's Electronic Transfer Fee	County Recorder	<u>227</u>
Total		<u>\$ 41,125</u>

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

NOTE 4 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:		
Secondary Roads	General	\$ 144,000
	Special Revenue:	
	Rural Services	<u>1,810,000</u>
		1,954,000
Capital Projects	General Basic	13,142
	Special Revenue:	
	Cabin Fund	50,430
	Special Revenue:	
	Conservation Trust	<u>7,430</u>
		<u>71,002</u>
Total		<u>\$ 2,025,002</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 625,990	\$ --	\$ --	\$ 625,990
Construction in progress	74,109	489,732	481,769	82,072
Total capital assets not being depreciated/ amortized	<u>700,099</u>	<u>489,732</u>	<u>481,769</u>	<u>708,062</u>
Capital assets being depreciated/amortized:				
Buildings	4,930,825	--	--	4,930,825
Equipment and vehicles	10,201,315	1,125,970	182,648	11,144,637
Infrastructure, road network	44,438,259	481,769	--	44,920,028
Total capital assets being depreciated/amortized	<u>59,570,399</u>	<u>1,607,739</u>	<u>182,648</u>	<u>60,995,490</u>
Less accumulated depreciation for:				
Buildings	1,387,203	119,340	--	1,506,543
Equipment and vehicles	5,855,388	874,713	182,648	6,547,453
Infrastructure, road network	18,737,270	1,172,678	--	19,909,948
Total accumulated depreciation/amortization	<u>25,979,861</u>	<u>2,166,731</u>	<u>182,648</u>	<u>27,963,944</u>
Total capital assets being depreciated/amortized, net	<u>33,590,538</u>	<u>(558,992)</u>	<u>--</u>	<u>33,031,546</u>
Governmental activities capital assets, net	<u>\$ 34,290,637</u>	<u>\$ (69,260)</u>	<u>\$ 481,769</u>	<u>\$ 33,739,608</u>

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 5 - CAPITAL ASSETS - continued

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Public safety and legal services	\$ 112,685
County environment and education	35,964
Roads and transportation	1,970,031
Administrative services	<u>48,051</u>
Total depreciation expense - governmental activities	<u>\$2,166,731</u>

NOTE 6 - DUE TO OTHER GOVERNMENTS

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Services	\$ 76,883
Special Revenue:		
Secondary Roads		<u>3,790</u>
Total for governmental funds		<u>\$ 80,673</u>
Agency:		
County Assessor	Collections	\$ 735,067
Schools		11,232,196
Community Colleges		740,113
Corporations		4,326,063
Townships		310,302
Auto License and Use Tax		368,909
County Hospital		1,473,726
E-911		249,248
All Other		<u>627,617</u>
Total for agency funds		<u>\$ 20,063,241</u>

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 7 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2014 is as follows:

	General Obligation Bonds	Compensated Absences	Total
Balance beginning of year	\$ 1,730,000	\$ 475,276	\$ 2,205,276
Increases	--	16,067	16,067
Decreases	<u>170,000</u>	<u>--</u>	<u>170,000</u>
Balance end of year	<u>\$ 1,560,000</u>	<u>\$ 491,343</u>	<u>\$ 2,051,343</u>
Due within one year	<u>\$ 180,000</u>	<u>\$ 491,343</u>	<u>\$ 671,343</u>

Bonds Payable

A summary of the County's June 30, 2014 general obligation bonded indebtedness is as follows:

June 30,	Rates	Principal	Interest	Total
2015	3.40 - 4.30%	\$ 180,000	\$ 65,680	\$ 245,680
2016	1.00	130,000	24,042	154,042
2017	1.20	130,000	22,742	152,742
2018	1.30	135,000	21,182	156,182
2019	1.50	135,000	19,428	154,428
2020-2024	1.70 - 2.20	700,000	61,042	761,042
2025	2.30	<u>150,000</u>	<u>3,450</u>	<u>153,450</u>
		<u>\$ 1,560,000</u>	<u>\$ 217,566</u>	<u>\$ 1,777,566</u>

During the year ended June 30, 2014, the County retired \$170,000 of bonds.

Prior-Year Defeasance of Debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On June 30, 2014, \$1,385,000 of bonds outstanding are considered defeased.

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 8 - PENSION AND RETIREMENT BENEFITS

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 5.95% of their annual covered salary and the County is required to contribute 8.93% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2014, 2013, and 2012 were approximately \$467,200, \$442,100, and \$423,300, respectively, equal to the required contributions for each year.

NOTE 9 - RISK MANAGEMENT

Crawford County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 700 members include various governmental entities throughout the State of Iowa. The Pool was formed in August, 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

Crawford County

Notes to Financial Statements

June 30, 2014

NOTE 9 - RISK MANAGEMENT - continued

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's contributions to the Pool for the year ended June 30, 2014 were approximately \$149,500.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Members' risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location. Property risks exceeding \$150,000 are reinsured through reinsurance and excess risk-sharing agreements, up to the amount of risk-sharing protection provided by the Members' risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that casualty claims, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2014, no liability has been recorded in the County's financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$300,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Crawford County

Notes to Financial Statements

June 30, 2014

NOTE 10 - EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$35,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2014 was \$1,636,246.

Accounts payable from the Employee Group Health Fund at June 30, 2014 total \$282,922, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$351,882 at June 30, 2014 and is reported as net position of the Internal Service, Employee Group Health Fund. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Estimated unpaid claims beginning of year	\$ 104,384
Incurred claims (including claims incurred but not reported at June 30, 2014)	1,614,885
Total payments	<u>(1,436,347)</u>
Estimated unpaid claims end of year	<u>\$ 282,922</u>

Crawford County
Notes to Financial Statements

June 30, 2014

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: The County operates a single-employer health benefit plan which provides medical, prescription drug, dental, and vision benefits for employees, retirees, and their spouses. There are 105 active and 1 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical, prescription drug, dental, and vision benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy: The contribution requirements of plan members are established and may be amended by the County. The County currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the County and plan members are \$600 for single coverage and \$1,200 for family coverage. For the year ended June 30, 2014, the County contributed \$1,636,246 and plan members eligible for benefits contributed \$108,987 to the plan.

Net OPEB Obligation: Management of the County considers any OPEB obligation, which may exist, to be immaterial. Therefore the County has elected to not obtain an actuarial evaluation of the OPEB liability.

Generally accepted accounting principles, established under GASB Statement No. 45, require that an actuarial or alternative computation of a liability be completed. The independent auditor's report regarding the financial statements has been qualified as a result of not obtaining the required evaluation and not recording any potential material OPEB liability.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Construction

The County has entered into several contracts totaling approximately \$4,507,400 for highway resurfacing and bridge repairs to be completed during fiscal year 2015. The projects will be financed with internally generated funds, and the County's farm to market fund.

Subsequent Events

The County has evaluated all subsequent events through February 10, 2015, the date the financial statements were available to be issued.

* * *

REQUIRED SUPPLEMENTARY INFORMATION

Crawford County

Budgetary Comparison Schedule of Receipts, Disbursements and
Changes in Balances - Budget and Actual (Cash Basis)

All Governmental Funds
Required Supplementary Information

Year ended June 30, 2014

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other County tax	\$ 8,033,941	\$ --	\$ 8,033,941
Interest and penalty on property tax	46,479	--	46,479
Intergovernmental	5,821,611	--	5,821,611
Licenses and permits	4,764	--	4,764
Charges for service	821,167	--	821,167
Use of money and property	113,356	--	113,356
Miscellaneous	247,765	--	247,765
Total receipts	<u>15,089,083</u>	<u>--</u>	<u>15,089,083</u>
Disbursements:			
Public safety and legal services	1,853,752	--	1,853,752
Physical health and social services	2,432,477	--	2,432,477
Mental health	620,574	--	620,574
County environment and education	939,409	734	938,675
Roads and transportation	6,512,459	--	6,512,459
Governmental services to residents	543,063	--	543,063
Administration	1,181,836	--	1,181,836
Debt service	243,155	--	243,155
Capital projects	243,680	--	243,680
Total disbursements	<u>14,570,405</u>	<u>734</u>	<u>14,569,671</u>
Excess (deficiency) of receipts over (under) disbursements	518,678	(734)	519,412
Other financing sources, net	<u>37,331</u>	<u>--</u>	<u>37,331</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	556,009	(734)	556,743
Balance beginning of year	<u>7,844,535</u>	<u>14,135</u>	<u>7,830,400</u>
Balance end of year	<u>\$ 8,400,544</u>	<u>\$ 13,401</u>	<u>\$ 8,387,143</u>

See accompanying independent auditor's report.

Budgeted Amounts		Final to
Original	Final	Net Variance
\$ 8,078,532	\$ 8,092,732	\$ (58,791)
47,700	47,700	(1,221)
6,022,101	5,938,101	(116,490)
4,700	4,700	64
753,790	753,790	67,377
112,941	154,941	(41,585)
121,919	169,469	78,296
<u>15,141,683</u>	<u>15,161,433</u>	<u>(72,350)</u>
2,000,741	2,015,741	161,989
2,742,302	2,742,302	309,825
619,850	689,850	69,276
1,040,277	1,044,888	106,213
6,532,600	6,757,600	245,141
596,178	596,178	53,115
1,294,638	1,325,638	143,802
244,000	244,000	845
777,852	314,852	71,172
<u>15,848,438</u>	<u>15,731,049</u>	<u>1,161,378</u>
(706,755)	(569,616)	1,089,028
<u>170,500</u>	<u>31,750</u>	<u>5,581</u>
(536,255)	(537,866)	1,094,609
<u>6,847,281</u>	<u>7,830,400</u>	<u>--</u>
<u>\$ 6,311,026</u>	<u>\$ 7,292,534</u>	<u>\$ 1,094,609</u>

Crawford County
 Budgetary Comparison Schedule -Budget to GAAP Reconciliation

Required Supplementary Information

Year ended June 30, 2014

	Governmental Fund Types		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 15,089,083	\$ (30,295)	\$ 15,058,788
Expenditures	<u>14,570,405</u>	<u>591,205</u>	<u>15,161,610</u>
Net	518,678	(621,500)	(102,822)
Other financing sources, net	37,331	--	37,331
Beginning fund balances	<u>7,844,535</u>	<u>1,853,283</u>	<u>9,697,818</u>
Ending fund balances	<u>\$ 8,400,544</u>	<u>\$ 1,231,783</u>	<u>\$ 9,632,327</u>

See accompanying independent auditor's report.

Crawford County

Notes to Required Supplementary Information - Budgetary Reporting

June 30, 2014

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except blended component units, the internal service fund, and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment decreased budgeted disbursements by \$117,389. The budget amendment is reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted in any function.

OTHER SUPPLEMENTARY INFORMATION

Crawford County
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2014

	Special Revenue			
	County Recorder's Records Management	Recorder's Electronic Transaction Fee	Conservation Land Acquisition Trust	Conservation Trust
Assets				
Cash and pooled investments	\$ 17,448	\$ 822	\$ 162	\$ 1,704
Receivables:				
Property tax:				
Delinquent	--	--	--	--
Succeeding year	--	--	--	--
Due from other funds	715	--	--	--
Due from other governments	--	--	--	--
Total assets	<u>\$ 18,163</u>	<u>\$ 822</u>	<u>\$ 162</u>	<u>\$ 1,704</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	--	--	--	--
Other	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
Restricted for:				
Capital projects	--	--	--	--
Debt service	--	--	--	--
Other purposes	18,163	822	162	1,704
Total fund balances	<u>18,163</u>	<u>822</u>	<u>162</u>	<u>1,704</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,163</u>	<u>\$ 822</u>	<u>\$ 162</u>	<u>\$ 1,704</u>

(continued next page)

Special Revenue					
Resource Enhancement and Protection	Law Enforcement Forfeiture	County Attorney Forfeiture	Sheriff Forfeiture	Federal Drug Forfeiture Fund	Flood and Erosion
\$ 9,360	\$ 6,852	\$ 1,681	\$ 290	\$ 2,117	\$ 73,759
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 9,360</u>	<u>\$ 6,852</u>	<u>\$ 1,681</u>	<u>\$ 290</u>	<u>\$ 2,117</u>	<u>\$ 73,759</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 570
--	--	--	--	--	570
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
9,360	6,852	1,681	290	2,117	73,189
<u>9,360</u>	<u>6,852</u>	<u>1,681</u>	<u>290</u>	<u>2,117</u>	<u>73,189</u>
<u>\$ 9,360</u>	<u>\$ 6,852</u>	<u>\$ 1,681</u>	<u>\$ 290</u>	<u>\$ 2,117</u>	<u>\$ 73,759</u>

Crawford County
Combining Balance Sheet - Continued
Nonmajor Governmental Funds

June 30, 2014

	Special Revenue		
	Drainage Districts	Cabin Fund	Supplemental Environment Projects
Assets			
Cash and pooled investments	\$ 13,401	\$ 14,367	\$ 59
Receivables:			
Property tax:			
Delinquent	--	--	--
Succeeding year	--	--	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Total assets	<u>\$ 13,401</u>	<u>\$ 14,367</u>	<u>\$ 59</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	--	--	--
Other	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:			
Restricted for:			
Capital projects	--	--	--
Debt service	--	--	--
Other purposes	13,401	14,367	59
Total fund balances	<u>13,401</u>	<u>14,367</u>	<u>59</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,401</u>	<u>\$ 14,367</u>	<u>\$ 59</u>

See accompanying independent auditor's report.

Special Revenue					
Juvenile Court Division	Protecting Children	Baby Boutique	Capital Projects	Debt Service	Total
\$ 208	\$ --	\$ 2,288	\$ 161,894	\$ 26,180	\$ 332,592
--	--	--	--	1,420	1,420
--	--	--	--	231,000	231,000
--	--	--	--	--	715
--	--	--	3,965	--	3,965
<u>\$ 208</u>	<u>\$ --</u>	<u>\$ 2,288</u>	<u>\$ 165,859</u>	<u>\$ 258,600</u>	<u>\$ 569,692</u>
\$ --	\$ --	\$ 64	\$ 5,601	\$ --	\$ 6,235
--	--	64	5,601	--	6,235
--	--	--	--	231,000	231,000
--	--	--	--	1,420	1,420
--	--	--	--	232,420	232,420
--	--	--	160,258	--	160,258
--	--	--	--	26,180	26,180
208	--	2,224	--	--	144,599
<u>208</u>	<u>--</u>	<u>2,224</u>	<u>160,258</u>	<u>26,180</u>	<u>331,037</u>
<u>\$ 208</u>	<u>\$ --</u>	<u>\$ 2,288</u>	<u>\$ 165,859</u>	<u>\$ 258,600</u>	<u>\$ 569,692</u>

Crawford County
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds

Year ended June 30, 2014

	Special Revenue			
	County Recorder's Records Management	Recorder's Electronic Transaction Fee	Conservation Land Acquisition Trust	Conservation Trust
Revenues:				
Property and other County tax	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for service	2,985	--	--	--
Use of money and property	24	3	1	13
Miscellaneous	--	--	--	--
Total revenues	<u>3,009</u>	<u>3</u>	<u>1</u>	<u>13</u>
Expenditures:				
Operating:				
Public safety and legal services	--	--	--	--
Physical health and social services	--	--	--	--
County environment and education	--	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	3,009	3	1	13
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Operating transfers out	--	--	--	(7,430)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>(7,430)</u>
Net change in fund balances	3,009	3	1	(7,417)
Fund balances beginning of year	<u>15,154</u>	<u>819</u>	<u>161</u>	<u>9,121</u>
Fund balances end of year	<u>\$ 18,163</u>	<u>\$ 822</u>	<u>\$ 162</u>	<u>\$ 1,704</u>

(continued next page)

Special Revenue					
Resource Enhancement and Protection	Law Enforcement Forfeiture	County Attorney Forfeiture	Sheriff Forfeiture	Federal Drug Forfeiture Fund	Flood and Erosion
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
15,268	--	--	--	--	--
--	--	--	--	--	--
44	13	6	1	7	--
--	5,599	269	170	--	--
<u>15,312</u>	<u>5,612</u>	<u>275</u>	<u>171</u>	<u>7</u>	<u>--</u>
--	1,766	--	--	234	--
--	--	--	--	--	--
9,140	--	--	--	--	4,517
--	--	--	--	--	--
--	--	--	--	--	--
<u>9,140</u>	<u>1,766</u>	<u>--</u>	<u>--</u>	<u>234</u>	<u>4,517</u>
6,172	3,846	275	171	(227)	(4,517)
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
6,172	3,846	275	171	(227)	(4,517)
<u>3,188</u>	<u>3,006</u>	<u>1,406</u>	<u>119</u>	<u>2,344</u>	<u>77,706</u>
<u>\$ 9,360</u>	<u>\$ 6,852</u>	<u>\$ 1,681</u>	<u>\$ 290</u>	<u>\$ 2,117</u>	<u>\$ 73,189</u>

Crawford County
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Continued
Nonmajor Governmental Funds

Year ended June 30, 2014

	Special Revenue		
	Drainage Districts	Cabin Fund	Supplemental Environment Projects
Revenues:			
Property and other County tax	\$ --	\$ 600	\$ --
Intergovernmental	--	--	--
Charges for service	--	12,230	--
Use of money and property	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>12,830</u>	<u>--</u>
Expenditures:			
Operating:			
Public safety and legal services	--	--	--
Physical health and social services	--	--	--
County environment and education	--	2,878	--
Debt service	--	--	--
Capital projects	--	--	--
Total expenditures	<u>--</u>	<u>2,878</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	9,952	--
Other financing sources (uses):			
Operating transfers in	--	--	--
Operating transfers out	--	(50,430)	--
Total other financing sources (uses)	<u>--</u>	<u>(50,430)</u>	<u>--</u>
Net change in fund balances	--	(40,478)	--
Fund balances beginning of year	<u>13,401</u>	<u>54,845</u>	<u>59</u>
Fund balances end of year	<u>\$ 13,401</u>	<u>\$ 14,367</u>	<u>\$ 59</u>

See accompanying independent auditor's report.

Special Revenue					
Juvenile Court Division	Protecting Children	Baby Boutique	Capital Projects	Debt Service	Total
\$ --	\$ --	\$ --	\$ --	\$ 233,423	\$ 234,023
--	--	--	--	10,922	26,190
--	--	--	--	--	15,215
--	--	--	526	400	1,038
--	--	300	26,399	--	32,737
--	--	300	26,925	244,745	309,203
--	--	--	--	--	2,000
--	7,780	716	--	--	8,496
--	--	--	--	--	16,535
--	--	--	--	243,155	243,155
--	--	--	81,791	--	81,791
--	7,780	716	81,791	243,155	351,977
--	(7,780)	(416)	(54,866)	1,590	(42,774)
--	--	--	71,002	--	71,002
--	--	--	--	--	(57,860)
--	--	--	71,002	--	13,142
--	(7,780)	(416)	16,136	1,590	(29,632)
208	7,780	2,640	144,122	24,590	360,669
\$ 208	\$ --	\$ 2,224	\$ 160,258	\$ 26,180	\$ 331,037

Crawford County

Combining Schedule of Fiduciary Assets and Liabilities
Agency Funds

June 30, 2014

	County Offices			Agricultural Extension Education
	County Recorder	County Sheriff	County Conservation	
Assets				
Cash and pooled investments:				
County Treasurer	\$ --	\$ --	\$ --	\$ 2,054
Other County officials	38,647	15,152	1,414	--
Receivables:				
Property tax:				
Delinquent	--	--	--	1,118
Succeeding year	--	--	--	177,000
Accounts	85	--	--	--
Special assessments	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Total assets	<u>\$ 38,732</u>	<u>\$ 15,152</u>	<u>\$ 1,414</u>	<u>\$ 180,172</u>
Liabilities				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Salaries and benefits payable	--	--	--	--
Due to other funds	25,368	1,218	--	--
Due to other governments	13,364	79	--	180,172
Trusts payable	--	13,855	1,414	--
Compensated absences	--	--	--	--
Total liabilities	<u>\$ 38,732</u>	<u>\$ 15,152</u>	<u>\$ 1,414</u>	<u>\$ 180,172</u>

(continued next page)

Schedule 3

<u>County Assessor</u>	<u>Emergency Management Services</u>	<u>Sanitary Disposal District</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>
\$ 266,207	\$ 19,905	\$ 23,571	\$ 115,924	\$ 7,207	\$ 46,786
--	--	--	--	--	--
97,354	--	--	70,272	3,906	84,277
375,000	--	--	11,046,000	729,000	4,195,000
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	38,043	--	--	--
<u>\$ 738,561</u>	<u>\$ 19,905</u>	<u>\$ 61,614</u>	<u>\$11,232,196</u>	<u>\$ 740,113</u>	<u>\$ 4,326,063</u>
\$ --	\$ 124	\$ 38,908	\$ --	\$ --	\$ --
--	1,107	22,706	--	--	--
--	--	--	--	--	--
735,067	18,674	--	11,232,196	740,113	4,326,063
--	--	--	--	--	--
3,494	--	--	--	--	--
<u>\$ 738,561</u>	<u>\$ 19,905</u>	<u>\$ 61,614</u>	<u>\$11,232,196</u>	<u>\$ 740,113</u>	<u>\$ 4,326,063</u>

Crawford County

Combining Schedule of Fiduciary Assets and Liabilities - Continued
Agency Funds

June 30, 2014

	<u>Townships</u>	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
Assets			
Cash and pooled investments:			
County Treasurer	\$ 3,122	\$ 383,448	\$ 528
Other County officials	--	--	--
Receivables:			
Property tax:			
Delinquent	180	--	17
Succeeding year	307,000	--	3,000
Accounts	--	--	--
Special assessments	--	--	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Total assets	<u>\$ 310,302</u>	<u>\$ 383,448</u>	<u>\$ 3,545</u>
Liabilities			
Accounts payable	\$ --	\$ --	\$ --
Salaries and benefits payable	--	--	--
Due to other funds	--	14,539	--
Due to other governments	310,302	368,909	3,545
Trusts payable	--	--	--
Compensated absences	--	--	--
Total liabilities	<u>\$ 310,302</u>	<u>\$ 383,448</u>	<u>\$ 3,545</u>

(continued next page)

<u>Anatomical Gift Public Awareness and Transportation</u>	<u>Monies and Credits</u>	<u>City Special Assessments</u>	<u>County Hospital</u>	<u>Wellness</u>	<u>E911</u>
\$ 5	\$ --	\$ 344	\$ 14,717	\$ 3,038	\$ 210,841
--	--	--	--	--	--
--	--	--	8,009	--	--
--	--	--	1,451,000	--	--
--	--	--	--	--	9,711
--	--	116,800	--	--	--
--	--	--	--	--	--
--	30	--	--	--	28,696
<u>\$ 5</u>	<u>\$ 30</u>	<u>\$ 117,144</u>	<u>\$ 1,473,726</u>	<u>\$ 3,038</u>	<u>\$ 249,248</u>
\$ --	\$ 30	\$ --	\$ --	\$ 108	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
5	--	117,144	1,473,726	2,930	249,248
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 5</u>	<u>\$ 30</u>	<u>\$ 117,144</u>	<u>\$ 1,473,726</u>	<u>\$ 3,038</u>	<u>\$ 249,248</u>

Crawford County

Combining Schedule of Fiduciary Assets and Liabilities - Continued Agency Funds

June 30, 2014

	<u>Ground Water Protection</u>	<u>Advance Tax</u>	<u>Unclaimed Property</u>
Assets			
Cash and pooled investments:			
County Treasurer	\$ 138,240	\$ 80,876	\$ 263
Other County officials	--	--	--
Receivables:			
Property tax:			
Delinquent	--	--	--
Succeeding year	--	--	--
Accounts	--	--	--
Special assessments	--	--	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Total assets	<u>\$ 138,240</u>	<u>\$ 80,876</u>	<u>\$ 263</u>
Liabilities			
Accounts payable	\$ 168	\$ --	\$ --
Salaries and benefits payable	--	--	--
Due to other funds	--	--	--
Due to other governments	138,072	80,876	263
Trusts payable	--	--	--
Compensated absences	--	--	--
Total liabilities	<u>\$ 138,240</u>	<u>\$ 80,876</u>	<u>\$ 263</u>

See accompanying independent auditor's report.

<u>Unapportioned Tax</u>	<u>Recorder's Electronic Transfer Fee</u>	<u>Total</u>
\$ 72,027	\$ 239	\$ 1,389,342
--	--	55,213
--	--	265,133
--	--	18,283,000
--	--	9,796
--	--	116,800
--	227	227
--	--	66,769
<u>\$ 72,027</u>	<u>\$ 466</u>	<u>\$ 20,186,280</u>
\$ --	\$ --	\$ 39,338
--	--	23,813
--	--	41,125
72,027	466	20,063,241
--	--	15,269
--	--	3,494
<u>\$ 72,027</u>	<u>\$ 466</u>	<u>\$ 20,186,280</u>

Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds

Year ended June 30, 2014

Assets and Liabilities	County Offices			Agricultural Extension Education
	County Recorder	County Sheriff	County Conservation	
Balances beginning of year	\$ 42,442	\$ 19,525	\$ 759	\$ 157,248
Additions:				
Property and other County tax	--	--	--	204,668
E911 surcharge	--	--	--	--
State tax credits	--	--	--	8,656
Office fees and collections	301,982	289,516	--	--
Auto licenses, use tax and postage	--	--	--	--
Assessments	--	--	--	--
Trusts	--	--	--	--
Miscellaneous	--	--	159,095	--
Total additions	<u>301,982</u>	<u>289,516</u>	<u>159,095</u>	<u>213,324</u>
Deductions:				
Agency Remittances:				
To other funds	127,038	69,877	--	--
To other governments	178,654	--	158,440	190,400
Trusts paid out	--	224,012	--	--
Total deductions	<u>305,692</u>	<u>293,889</u>	<u>158,440</u>	<u>190,400</u>
Balances end of year	\$ <u>38,732</u>	\$ <u>15,152</u>	\$ <u>1,414</u>	\$ <u>180,172</u>

(continued next page)

Schedule 4

<u>County Assessor</u>	<u>Emergency Management Services</u>	<u>Sanitary Disposal District</u>	<u>Schools</u>	<u>Community Colleges</u>	<u>Corporations</u>
\$ 562,897	\$ 23,123	\$ 22,840	\$ 9,777,234	\$ 561,154	\$ 4,727,685
472,296	--	--	11,858,556	817,293	4,432,375
--	--	--	--	--	--
16,401	--	--	492,193	30,418	212,464
5	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,590	49,000	866,043	--	--	--
<u>490,292</u>	<u>49,000</u>	<u>866,043</u>	<u>12,350,749</u>	<u>847,711</u>	<u>4,644,839</u>
--	--	--	--	--	--
314,628	52,218	827,269	10,895,787	668,752	5,046,461
--	--	--	--	--	--
<u>314,628</u>	<u>52,218</u>	<u>827,269</u>	<u>10,895,787</u>	<u>668,752</u>	<u>5,046,461</u>
\$ 738,561	\$ 19,905	\$ 61,614	\$ 11,232,196	\$ 740,113	\$ 4,326,063

Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds

Year ended June 30, 2014

	<u>Townships</u>	<u>Auto License and Use Tax</u>	<u>Brucellosis and Tuberculosis Eradication</u>
Assets and Liabilities			
Balance beginning of year	\$ 225,926	\$ 360,896	\$ 2,496
Additions:			
Property and other County tax	351,932	--	3,743
E911 surcharge	--	--	--
State tax credits	12,326	--	131
Office fees and collections	--	--	--
Auto licenses, use tax and postage	--	5,006,188	--
Assessments	--	--	--
Trusts	--	--	--
Miscellaneous	--	--	--
Total additions	<u>364,258</u>	<u>5,006,188</u>	<u>3,874</u>
Deductions:			
Agency Remittances:			
To other funds	--	180,460	--
To other governments	279,882	4,803,176	2,825
Trusts paid out	--	--	--
Total deductions	<u>279,882</u>	<u>4,983,636</u>	<u>2,825</u>
Balance end of year	<u>\$ 310,302</u>	<u>\$ 383,448</u>	<u>\$ 3,545</u>

(continued next page)

<u>Anatomical Gift Public Awareness and Transportation</u>	<u>Monies and Credits</u>	<u>City Special Assessments</u>	<u>County Hospital</u>	<u>Wellness</u>	<u>E911</u>
\$ 14	\$ --	\$ 76,173	\$ 1,132,413	\$ 2,985	\$ 170,138
--	--	--	1,642,799	--	--
--	--	--	--	--	210,912
--	--	--	62,027	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	67,886	--	--	--
--	--	--	--	2,708	--
157	307	--	--	3,500	693
<u>157</u>	<u>307</u>	<u>67,886</u>	<u>1,704,826</u>	<u>6,208</u>	<u>211,605</u>
--	--	--	--	--	--
166	277	26,915	1,363,513	6,155	132,495
--	--	--	--	--	--
<u>166</u>	<u>277</u>	<u>26,915</u>	<u>1,363,513</u>	<u>6,155</u>	<u>132,495</u>
\$ 5	\$ 30	\$ 117,144	\$ 1,473,726	\$ 3,038	\$ 249,248

Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Continued
Agency Funds

Year ended June 30, 2014

	Ground Water Protection	Advance Tax	Unclaimed Property
Assets and Liabilities			
Balance beginning of year	\$ 147,355	\$ 96,734	\$ 262
Additions:			
Property and other County tax	--	--	--
E911 surcharge	--	--	--
State tax credits	--	--	--
Office fees and collections	--	--	--
Auto licenses, use tax and postage	--	--	--
Assessments	--	--	--
Trusts	--	--	--
Miscellaneous	--	92,658	1
Total additions	--	92,658	1
Deductions:			
Agency Remittances:			
To other funds	--	108,516	--
To other governments	9,115	--	--
Trusts paid out	--	--	--
Total deductions	9,115	108,516	--
Balance end of year	\$ 138,240	\$ 80,876	\$ 263

See accompanying independent auditor's report.

<u>Unapportioned Tax</u>	<u>Recorder's Electronic Transfer Fee</u>	<u>Total</u>
\$ 35,171	\$ 487	\$ 18,145,957
--	--	19,783,662
--	--	210,912
--	--	834,616
--	--	591,503
--	--	5,006,188
--	--	67,886
--	--	2,708
204,517	2,985	1,380,546
<u>204,517</u>	<u>2,985</u>	<u>27,878,021</u>
--	--	485,891
--	3,006	24,960,134
167,661	--	391,673
<u>167,661</u>	<u>3,006</u>	<u>25,837,698</u>
\$ 72,027	\$ 466	\$ 20,186,280

Crawford County

Schedule of Revenues by Source and Expenditures by Function - All Governmental Fund Types

For the Last Ten Years

	Modified Accrual Basis			
	2014	2013	2012	2011
Revenues:				
Property and other				
County tax	\$ 8,035,025	\$ 8,131,171	\$ 7,429,018	\$ 7,403,977
Interest and penalty on				
property tax	46,479	54,575	55,693	55,069
Intergovernmental	5,760,199	5,474,651	8,629,144	6,792,858
Licenses and permits	5,024	5,811	8,495	24,594
Charges for service	835,139	779,979	758,616	730,090
Use of money and				
property	114,140	105,054	113,341	116,743
Miscellaneous	262,782	150,001	276,272	233,075
Total	<u>\$ 15,058,788</u>	<u>\$ 14,701,242</u>	<u>\$ 17,270,579</u>	<u>\$ 15,356,406</u>
Expenditures:				
Operating:				
Public safety and				
legal services	\$ 1,846,867	\$ 1,903,730	\$ 1,821,620	\$ 1,790,287
Physical health and				
social services	2,448,405	2,417,483	2,439,827	2,477,501
Mental health	612,980	609,472	2,159,816	1,648,364
County environment				
and education	938,996	915,362	940,823	846,583
Roads and transportation	7,123,932	6,218,193	7,385,121	6,628,529
Governmental services				
to residents	540,723	516,699	512,286	494,213
Administration	1,161,701	1,273,577	1,103,811	1,136,314
Debt service	243,155	1,624,260	245,060	245,370
Capital projects	244,851	240,784	584,875	1,339,714
Total	<u>\$ 15,161,610</u>	<u>\$ 15,719,560</u>	<u>\$ 17,193,239</u>	<u>\$ 16,606,875</u>

See accompanying independent auditor's report.

Modified Accrual Basis					
2010	2009	2008	2007	2006	2005
\$ 6,969,027	\$ 6,712,622	\$ 6,255,519	\$ 6,074,600	\$ 5,711,887	\$ 5,238,989
48,956	45,885	43,272	45,138	58,660	43,123
8,740,517	8,580,817	7,628,573	5,968,333	5,879,284	5,683,927
6,138	9,254	18,661	20,507	14,102	12,652
706,840	670,965	731,999	745,267	689,576	636,837
173,852	240,718	371,905	464,425	277,622	145,849
299,939	291,007	210,276	181,042	182,906	142,985
<u>\$ 16,945,269</u>	<u>\$ 16,551,268</u>	<u>\$ 15,260,205</u>	<u>\$ 13,499,312</u>	<u>\$ 12,814,037</u>	<u>\$ 11,904,362</u>
\$ 1,745,314	\$ 1,599,327	\$ 1,374,429	\$ 1,323,978	\$ 1,392,514	\$ 1,196,624
2,447,304	2,381,322	2,117,423	1,937,106	1,762,934	1,810,576
1,577,899	2,047,478	2,020,335	1,940,034	1,900,663	1,861,221
993,945	818,877	741,682	742,239	693,790	700,049
7,307,254	5,958,056	5,233,883	4,889,258	4,870,293	4,512,066
457,774	453,933	439,657	440,859	584,440	503,515
1,060,903	1,001,091	1,201,701	945,125	941,027	901,395
238,315	240,241	172,827	159,956	--	--
647,832	1,827,693	989,297	2,477,310	1,124,439	841,801
<u>\$ 16,476,540</u>	<u>\$ 16,328,018</u>	<u>\$ 14,291,234</u>	<u>\$ 14,855,865</u>	<u>\$ 13,270,100</u>	<u>\$ 12,327,247</u>

Crawford County

Schedule of Expenditures of Federal Awards

Year ended June 30, 2014

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Program Expenditures</u>
Direct:			
U.S. Department of Justice: State Criminal Alien Assistance Program	16.606		\$ 7,943
Indirect:			
U.S. Department of Agriculture: Iowa Department of Human Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		14,100
U.S. Department of Health and Human Services: Iowa Department of Elder Affairs: Elderbridge Area Agency on Aging: Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Citizens	93.044		1,237
Iowa Department of Public Health: Public Health Emergency Preparedness	93.069	5884BT17	25,909
Family Planning - Services	93.217	5884MH08	69,448
Immunization Grants	93.268	5883I421/ 5884I421	7,268
Promoting Safe and Stable Families	93.556		3,675
Buena Vista, Crawford, and Sac Counties Community Empowerment Area: Child Care and Development Block Grant	93.558		11,630
Harrison, Monona, Shelby Empowerment Area Board: Child Care and Development Block Grant	93.575	HMS-11-08	2,326
Cass Empowerment Area Board: Child Care and Development Block Grant	93.575		<u>5,091</u>
			<u>7,417</u>
Maternal and Child Health Services Block Grant to the States	93.994	5884MH08	72,209

(continued next page)

Crawford County

Schedule of Expenditures of Federal Awards - Continued

Year ended June 30, 2014

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Program Expenditures</u>
Indirect (continued):			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Refugee and Entrance Assistance - State- Administered Programs	93.566		\$ 33
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		2,540
Foster Care - Title IV-E	93.658		5,039
Adoption Assistance - Title IV-E	93.659		1,528
Children's Health Insurance Program (CHIP)	93.767		50
Medical Assistance Program (Medicaid, Title XIX)	93.778		13,320
Social Services Block Grant	93.667		4,692
Social Services Block Grant	93.667		5,740
			<u>10,432</u>
Social Services Block Grant	93.556		500
Iowa Child Abuse Prevention Program	93.556		15,176
Prevent Child Abuse Iowa	93.556		2,250
			<u>17,926</u>
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Iowa Homeland Security and Emergency Management Division:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR2146	313,040
Total indirect			<u>576,801</u>
Total			<u>\$ 584,744</u>

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Crawford County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation, of the general purpose financial statements.

See accompanying independent auditor's report.

COMMENTS AND RECOMMENDATIONS

Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officials of Crawford County

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Crawford County, Iowa, as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crawford County's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crawford County's internal control. Accordingly, we do not express an opinion on the effectiveness of Crawford County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis.

To the Officials of Crawford County

A significant deficiency is a deficiency or combination of deficiencies in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernest W. Bue, Kyhn & Co., P.C.

Atlantic, Iowa
February 10, 2015

Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Compliance
with Requirements That Could Have a Direct and Material Effect
on Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133

To the Officials of Crawford County, Iowa

Report on Compliance for Each Major Federal Program

We have audited Crawford County Iowa's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2014. The County's major federal program is identified in the summary of the independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of the County's management.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the County's compliance.

Opinion on Each Major Federal Program

Report on Internal Control Over Compliance

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Gmewoll, Ben, Kohn + W. P. C.

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Crawford County
Schedule of Findings and Questioned Costs
Year ended June 30, 2014

Part I: Summary of the Independent Auditor's Results

Financial Statements

- (a) Type of auditor's report issued:
- Qualified.
- (b) Internal control over financial reporting:
- Material weakness(es) identified? ☐ yes ☒ no
 - Significant deficiency(ies) identified? ☐ yes ☒ none reported
- (c) Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

- (d) Internal control over major program:
- Material weakness(es) identified? ☐ yes ☒ no
 - Significant deficiency(ies) identified? ☐ yes ☒ none reported
- (e) Type of auditor's report issued on compliance for major program:
- Unmodified.
- (f) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the OMB Circular A-133? ☐ yes ☒ no
- (g) Identification of major program:
- CFDA Number 97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- (i) Auditee qualified as low-risk auditee? ☐ yes ☒ no

Crawford County
Schedule of Findings and Questioned Costs
Year ended June 30, 2014

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting

- 14-IV-A Certified Budget: Disbursements during the year ended June 30, 2014 did not exceed the amounts budgeted.
- 14-IV-B Questionable Expenditures: No expenditures were noted that meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 14-IV-C Travel Expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 14-IV-D Business Transactions: No business transactions between the County and County officials were noted.
- 14-IV-E Bond Coverage: Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- 14-IV-F Board Minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

Crawford County

Schedule of Findings and Questioned Costs

Year ended June 30, 2014

Part IV: Other Findings Related to Required Statutory Reporting - Continued

- 14-IV-G Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- 14-IV-H Resource Enhancement and Protection Certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 14-IV-I County Extension Office: The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2014 for the County Extension Office did not exceed the amount budgeted.

* * *